

6A. OVERVIEW

This chapter describes the leasing process including owner screening, inspections, Housing Assistance Payments and portability.

6B. HACK JURISDICTION

The family may receive tenant-based assistance in the following jurisdictions of HACK: incorporated cities of Bakersfield, Arvin, Shafter, Tehachapi, Wasco, Ridgecrest, McFarland, Delano, Maricopa, California City and unincorporated Kern County.

6C. PORTABILITY - ASSISTANCE OUTSIDE HACK'S JURISDICTION

A family whose head or spouse has a domicile (legal residence) or works in the jurisdiction of HACK at the time the family first submits its application for participation in the program to HACK may lease a unit anywhere in the jurisdiction of HACK or outside HACK's jurisdiction as long as there is another entity operating a tenant-based Section 8 program covering the location of the proposed unit.

If the head or spouse of the assisted family does not have a legal residence or work in the jurisdiction of HACK at the time of its application, the family will not have any right to lease a unit outside of HACK's jurisdiction for a 12-month period beginning when the family is first admitted to the program. During this period, the family may only lease a unit located in the jurisdiction of HACK. However, if HACK has insufficient funding and the receiving Housing Authority has agreed in writing to absorb the voucher, then the family may be allowed to lease a unit outside HACK's jurisdiction during the initial 12-month period.

Families participating in the Voucher Program will not be allowed to move more than once in any 12-month period and under no circumstances will HACK allow a participant to improperly break a lease. Under extraordinary circumstances HACK may consider allowing more than one move in a 12-month period.

The family may receive tenant-based assistance in the jurisdiction of any HA anywhere in the State of California or the United States that is administering a tenant-based Section 8 program.

If a family has moved out of their assisted unit in violation of the lease, HACK will not issue a voucher, and will terminate assistance in compliance with Section 17.0, Grounds for Termination of the Lease and Contract, unless the family or member of the family is the victim of domestic violence, dating violence, or stalking, and the move was needed to protect the health and safety of the family member. The family must provide the HUD

approved certification form (HUD 50066) and other acceptable documentation in order to verify the family's claim that the request to move is prompted by incidence of abuse in the unit.

1. Administration by Receiving Housing Authority
 - a. When a family utilizes portability to move to an area outside the Initial Housing Authority jurisdiction, another Housing Authority (the Receiving Housing Authority) must administer assistance for the family if that Housing Authority has a tenant-based program covering the area where the unit is located.
 - b. A Housing Authority with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher. If there is more than one such housing authority, the Initial Housing Authority may choose which housing authority shall become the Receiving Housing Authority.
2. Portability Procedures
 - a. **When HACK is the Initial Housing Authority:**
 - I. HACK must determine whether the family is eligible in the area where it wants to lease housing in accordance with 24 CFR 982.353 and 24 CFR 982.354 (if applicable). If family is participant in HACK's Voucher Program, income eligibility is not re-determined when the family moves to the receiving HA program under portability procedures. However, for a family that was not already receiving assistance in HACK's Voucher Program, HACK must determine whether the family is eligible for admission to the receiving HA's Voucher Program. In determining income eligibility, the receiving HA's income limits are used.
 - II. HACK must advise the family how to contact and request assistance from the receiving HA. If more than one HA has jurisdiction over the area in which the family wishes to move, HACK must provide the family with the contact information for the receiving HAs that serve the area, and the family selects the receiving HA. The family must inform HACK which HA it has selected as the receiving HA. In cases where the family prefers not to select the receiving HA, HACK will select the receiving HA on behalf of the family.
 - III. HACK must promptly (within 7 calendar days) notify via email or other confirmed delivery method, the receiving HA to expect the family. HACK must give the receiving PHA form HUD-52665.
 - IV. The family must promptly contact the receiving HA and comply with its procedures for incoming portable families.
 - V. HACK must immediately give the receiving HA the most recent

- HUD Form 50058 (Family Report) for the family, and related verification information. If the receiving HA opts to conduct its own examination, it may not delay issuing the family a voucher or certificate or otherwise delay approval of housing unless its examination is necessary to determine income eligibility (when applicable).
- VI. Once the receiving HA is determined, HACK must contact the receiving HA, via email or other confirmed method, prior to approving the family's request to move in order to determine whether the voucher will be absorbed or billed by the receiving HA. The decision to absorb a family is at the discretion of the Housing Administrator and will be made on a case by case basis.
 - VII. The receiving HA must issue a voucher to the family. The term of the voucher may not expire before 30 calendar days from the expiration date of HACK's voucher. If the voucher expires before the family arrives at the receiving HA, the receiving HA must contact HACK to determine if it will extend the voucher. The family must submit an Approval for Tenancy form to the receiving HA during the term of the receiving HA's voucher. (The receiving HA's voucher term must not exceed 120 days including time expended on the initial HA's certificate/voucher.) The receiving HA must provide for suspension of the initial or any extended term of the voucher from the date that the family submits a request for approval of the tenancy until the date the receiving HA notifies the family in writing whether the request has been approved or denied.
 - VIII. If the receiving HA absorbs the Voucher the receiving HA may determine the housing size for the portable family. The housing size is determined per the subsidy standards of the receiving HA.
 - IX. The receiving HA must promptly notify HACK if the family has leased eligible housing under the program, or if it fails to submit a request for tenancy approval for eligible housing within the term of the or voucher.
 - X. The receiving Housing Authority administering the voucher may suspend the administrative payment to the other initial Housing Authority if after 60 days it fails to submit the necessary paper work to process the client's assistance.
 - XI. To provide tenant-based assistance for portable families, the receiving HA must perform all HA program functions, such as reexaminations of family income and composition at any time. HACK or the receiving HA may make a determination to deny or

terminate assistance to the family in accordance with 24 CFR 982.552 and 24 CFR 982.553.

- XII. Notwithstanding the procedures described above, to make budgetary adjustments required by HUD imposed funding reductions. HACK must provide written notification to the local HUD Office within 10 business days of determining it is necessary to deny moves to a higher-cost unit based on insufficient funding:
1. HACK will deny families permission to move to a higher cost unit within the PHA jurisdiction, due to insufficient funding.
 2. HACK will deny portability moves to higher cost area (higher PUC based on Receiving PHA subsidy standards and/or payment standards in excess of 10% of HACK's payment standard) if Receiving PHA refuses to absorb.

b. When HACK is the receiving Housing Authority:

- I. When the portable family requests assistance from HACK, HACK will within ten (10) calendar days inform the Initial Housing Authority, in writing via email or other confirmed delivery method, whether it will bill the Initial Housing Authority for assistance on behalf of the portable family or absorb the family into its own program. The decision to absorb the family is at the discretion of the Housing Administrator and will be made on a case-by-case basis.
- II. HACK will issue a voucher to the family. The term of HACK's voucher will not expire before 30 calendar days of any Initial Housing Authority's voucher. HACK will determine whether to extend the voucher term. The family must submit a request for tenancy approval to HACK during the term of HACK's voucher.
- III. HACK will determine the family unit size for the portable family. The family unit size is determined in accordance with HACK's subsidy standards.
- IV. HACK will within ten (10) calendar days notify the Initial Housing Authority if the family has leased an eligible unit under the program, or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the voucher.
- V. If HACK opts to conduct a new reexamination (when applicable), HACK will not delay issuing the family a voucher or otherwise delay approval of a unit unless the re-certification is necessary to determine income eligibility.
- VI. In order to provide tenant-based assistance for portable families, HACK will perform all Housing Authority program functions, such as reexaminations of family income and composition. At any

time, either the Initial Housing Authority or HACK may make a determination to deny or terminate assistance to the family in accordance with 24 CFR 982.552.

3. Portability Billing

- a. To cover assistance for a portable family, the Receiving Housing Authority may bill the Initial Housing Authority for housing assistance payments and administrative fees. The billing procedure will be as follows:
 - I. As the Initial Housing Authority, HACK will promptly reimburse the Receiving Housing Authority for the full amount of the housing assistance payments made by the Receiving Housing Authority for the portable family. The amount of the housing assistance payment for a portable family in the Receiving Housing Authority's program is determined in the same manner as for other families in the Receiving Housing Authority's program.
 - II. The Initial Housing Authority will promptly reimburse the Receiving Housing Authority for the lesser of 80% of the Initial Housing Authority's on-going administrative fee or 100% of the Receiving HA's ongoing administrative fee for each program unit under HAP contract on the first day of the month for which the Receiving HA is billing the Initial Housing Authority. If administrative fees are prorated for the Voucher program, the proration will apply to the amount of the administrative fee for which the Receiving Housing Authority may bill.

4. When a Portable Family Moves

When a portable family moves out of the tenant-based program of a Receiving Housing Authority that has not absorbed the family, the Housing Authority in the new jurisdiction to which the family moves becomes the Receiving Housing Authority, and the first Receiving Housing Authority is no longer required to provide assistance for the family.

6D. OWNER SCREENING

1. Listing a family on the HACK waiting list, or selecting a family for participation in the program, is not a representation by HACK to the owner about the family's expected behavior, or the family's suitability for tenancy. At or before HACK's approval to lease housing, it must inform the owner that it has not screened the family's behavior or suitability for tenancy and that such screening is the sole responsibility of the owner.
2. Owners are permitted and encouraged to screen families based on their tenancy

histories. An owner may consider a family's background with respect to such factors as:

- a. Payment of rent and utility bills;
 - b. Caring for housing and premises;
 - c. Respecting the rights of others to the peaceful enjoyment of their housing;
 - d. Drug-related criminal activity or other criminal activity that is a threat to the life, safety or property of others; and
 - e. Compliance with other essential conditions of tenancy.
3. HACK must give the owner the following information about the tenant:
- a. The family's current address (as shown in HACK's records); and
 - b. The names and addresses (if known to HACK) of the landlords at the family's current and prior addresses.
 - c. When a family wants to lease housing, upon the written request of a prospective owner HACK will provide any factual information about the family.
 - d. HACK must give the family a statement of HACK's policy on providing information to owners. The statement is included in the information packet given to a family selected to participate in the program. HACK policy must provide that it will give the same information to all families and to all owners.

6E. LEASE APPROVAL PROCESS

1. When a family has found suitable housing, it shall submit to HACK a completed *Request for Approval of Tenancy Form* signed by both parties, a completed *Contract Worksheet*, a copy of the proposed lease agreement, and the housing inspection request. A family may submit only one (1) *Request for Approval of Tenancy Form* at a time. HACK shall review the documents to determine:
 - a. If the owner is eligible to participate in the program;
 - b. If the housing is eligible;
 - c. If the Lease complies with the program's requirements governing prohibited and required lease provisions and includes the language of the tenancy addendum;
 - d. If the rent to owner is reasonable.
 - e. The family's share of rent does not exceed 40% of their monthly adjusted income; and The *Request for Approval of Tenancy Form* must be submitted while the family's voucher is effective.
 - f. The family continues to meet all eligibility and screening criteria
2. If tenancy approval is denied, HACK will advise the owner and the family and advise them of any actions they could take that would enable HACK to approve

tenancy. The lease term may begin only after all of the following conditions are met:

- a. The unit passes the Housing Authority HQS inspection;
- b. The family's share of rent does not exceed 40% of their monthly adjusted income;
- c. The landlord and tenant sign the lease to include the HUD required addendum; and
- d. The Housing Authority approves the leasing of the unit.

The Housing Authority will prepare the contract when the unit is approved for tenancy. Generally, the landlord, simultaneously with the signing of the lease and the HUD required tenancy addendum, will execute the contract. Upon receipt of the executed lease and the signed contract by the landlord, the Housing Authority will execute the contract. The Housing Authority will not pay any housing assistance to the owner until the contract is executed. In no case will the contract be executed later than 60 days after the beginning of the lease term. Any contract executed after the 60-day period will be void and the Housing Authority will not pay housing assistance to the owner.

6F. DETERMINATION OF ELIGIBILITY

1. Owner Eligibility

a. Conflict of Interest

Section 18 of the ACC and Sections 15 and 16 of the (HAP) Contract contain conflict-of-interest provisions that may prohibit some owners from participation in the program. Specifically, the following people are prohibited from having any direct or indirect interest in, or derive any proceeds or benefits from, participation in the Section 8 Program:

- I. present or former members or officers of the HACK Board of Commissioners;
- II. any employee of HACK who formulates policy or influences decisions with respect to the Section 8 Program;
- III. any person (or tenant) who is a candidate for employment with HACK in a policy or decision-making position;
- IV. any public official or member of a governing body or State legislature who exercises functions or responsibilities with respect to the Section 8 Program during his/her tenure or for one (1) year after.

A waiver of the above-noted conflict-of-interest provisions may be submitted by HACK to the HUD Area Office if it is determined that a waiver is merited.

b. Disapproval of Debarred, Suspended or Restricted Owners

- I. HACK must not approve housing if it has been informed (by HUD or another source) that the owner, agent, or representative

of the owner is debarred, suspended or subject to a limited denial of participation under 24 CFR.

- II. When directed by HUD, HACK must not approve a unit if:
1. The federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements, and such action is pending; or
 2. A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.
 3. In its administrative discretion, HACK may deny approval to lease housing from an owner for any of the following reasons:
 - The owner has violated obligations under the Housing Assistance Payment Contract under the Section 8 Program.
 - The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program; The owner has engaged in drug related criminal activity or any violent criminal activity.
 - The owner/agent or representative has a history or practice of non-compliance with the HQS for housing leased under the tenant-based programs, or with applicable standards for housing leased with project-based Section 8 assistance, or leased under any other federal housing program;
 - The owner has a history or practice of renting housing that fails to meet State or local housing codes; or
 - The owner has not paid State or local real estate taxes, fines or assessments.
 - The owner, agent, tenant or representative has verbally or physically attacked, abused or threatened any HACK employee. The owner refuses or (has a history of refusing) to evict families for drug-related or violent criminal activity, or for activity that threatens the health, safety, or right to peaceful enjoyment of the premises by tenants, HACK employees or owner employees; or residency by neighbor.
 - If the owner is the parent, child, grandparent, sister, brother, or any member of the family unless HACK determines that approving the unit would provide a

reasonable accommodation for family member who is a person with disabilities.

- Other conflicts of interest under Federal, State, or local law.

Nothing in this rule is intended to give any owner any right to participate in the program. For purposes of this section, “owner” includes a principal or other interested party.

2. Ineligible/Eligible Housing

- a. The following types of housing may not be assisted by HACK in the Section 8 Tenant Based programs:
 - I. Public housing or Indian housing;
 - II. Housing receiving project-based assistance under a Section 8 Program.
 - III. Nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services;
 - IV. College or other school dormitories;
 - V. Housing on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; and
 - VI. Housing occupied by its owner or by a person with any interest in it. However, assistance may be provided for family residing in a cooperative. Assistance may be provided to the owner of a manufactured home or leasing a manufactured home space. In the case of shared housing, an owner unrelated to the assisted family may reside in it, but assistance may not be paid on behalf of the resident owner or resident whose family member or relative owns and occupies the unit; and
 - VII. A unit receiving any duplicative Federal, State, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a HAP credit.
- b. A family may not receive the benefit of tenant-based assistance while receiving the benefit of any of the following forms of other subsidy, for the same, or different housing:
 - I. Public or Indian housing assistance;
 - II. Other Section 8 assistance including other tenant-based assistance;
 - III. Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
 - IV. Section 101 rent supplements;
 - V. Section 236 rental assistance;
 - VI. Tenant-based assistance under the HOME program;

- VII. Rental assistance payments under Section 521 of the Housing Act of 1949 (a Farmers Home Administration Program);
 - VIII. Any local or State rent subsidy; or
 - IX. Any other duplicate federal, State, or local housing subsidy, as determined by HUD. For this purpose, "housing subsidy" does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.
- c. HACK will not approve a lease for any of the following special housing types, except as a reasonable accommodation for a family with disabilities or other special admissions if HUD awards funding that is targeted for families with specific characteristics or families living in specific units:
- I. Congregate housing
 - II. Group homes
 - III. Cooperative housing
- c. HACK will approve leases for the following housing types:
- I. Single family dwellings
 - II. Shared Housing
 - III. Apartments
 - IV. Manufactured housing
 - V. Manufactured home space rentals
 - VI. House boats
 - VII. Single Room Occupancy Housing
 - VIII. Lease-purchase agreements. A family leasing a unit with assistance under the program may enter into an agreement with an owner to purchase the unit. So long as the family is receiving such rental assistance, all requirements applicable to families otherwise leasing units under the tenant-based program apply. Any home-ownership premium (e.g., increment of value attributable to the value of the lease-purchase right or agreement such as an extra monthly payment to accumulate a down payment or reduce the purchase price) included in the rent to the owner that would result in a higher subsidy amount than would otherwise be paid by HACK must be absorbed by the family. In determining whether the rent to owner for a unit subject to a lease-purchase agreement is a reasonable amount in accordance with 24 CFR 982.503, any home-ownership premium paid by the family to the owner must be excluded when HACK determines rent reasonableness.

3. Hack-owned Housing

HACK-owned housing with assistance administered under the consolidated ACC (including housing owned by an entity substantially controlled by HACK) may be assisted only under the tenant-based program if:

- a. The family has been informed by HACK, both orally and in writing, that it has the right to select any eligible housing and HACK-owned housing is freely selected without pressure or steering from HACK;
- b. The housing is eligible housing;
- c. During assisted occupancy, the family does not benefit from any form of housing subsidy prohibited under this section,
- d. The initial rent to the owner has been approved by HUD before execution of the HAP Contract and commencement of the assisted lease term; and
- e. Any adjustment of the rent to the owner is approved in advance by HUD.

HACK, as owner, is subject to the same requirements that apply to other owners in the program.

4. Rent Reasonableness

Following the Contract and Gross Rent determinations, HACK must determine whether the rental rate is reasonable. It is not sufficient to approve housing merely because its Gross Rent is within the applicable FMR limitation. HACK will certify and document that the Rent to Owner is reasonable in relation to rents currently being charged for comparable housing in the private, unassisted market and that the Rent to Owner is not more than rents currently being charged by the owner for comparable unassisted housing.

- a. To determine rent reasonableness HACK will survey comparable rental housing in the same or a comparable neighborhood.
- b. If an owner disputes the results of HACK's rent reasonableness survey, he/she may submit data on a minimum of three (3) comparable housing units. On verification, the rent will be adjusted as appropriate.

6G. UNIT INSPECTIONS

HACK is required to conduct housing inspections before lease approval and execution of a HAP Contract to ensure that the housing meets the HQS. Once a voucher holder and prospective owner have requested Approval of Tenancy for specific housing, HACK will schedule a housing inspection on or about the date the owner says the housing will be ready, or as soon after as possible. A thorough inspection of the housing must be made and all findings noted on the Unit Inspection Report.

Housing that is likely to fall below the HQS within a year must not be approved.

1. Initial Inspections

The following requirements apply to the results of inspections done in connection with a Request for Approval of Tenancy:

- a. If HACK's inspection reveals that the housing meets the HQS criteria, HACK may continue processing the Request for Approval of Tenancy, after having notified the owner and the family of the inspection results.
- b. If the inspection reveals the housing is not in decent, safe and sanitary condition, HACK shall deny the family's Request for Approval of Tenancy. Should the owner make necessary repairs bringing the housing up to acceptable criteria, a new Request for Lease Approval may be submitted and a follow-up inspection conducted by HACK.
- c. HACK will not disapprove a Request for Approval of Tenancy for recommended repairs that are not HQS violations.

6H. HAP CONTRACT EXECUTION

HACK must use best efforts to execute the HAP contract before the beginning of the lease term. The HAP contract must be executed no later than sixty (60) calendar days from the beginning of the lease term.

HACK may not pay any HAP to the owner until the HAP contract has been executed.

If the HAP contract is executed during the period of sixty (60) calendar days from the beginning of the lease term, HACK will pay owner after execution of the HAP contract (per the terms of the HAP contract), to cover the portion of the lease term before the execution of the HAP contract (a maximum of sixty (60) days).

Any HAP contract executed after the sixty (60) day period is void, and HACK may not pay any HAP to the owner.

1. Where HACK determines that the lease cannot be approved for any reason, including the condition of the housing, it shall notify the owner and the family:
 - a. of the reasons for disapproval of the lease or proposed housing, and
 - b. that if the conditions requiring disapproval are corrected by the owner, another Request for Approval of Tenancy may be submitted by the owner and family on or before a specified date determined reasonable by HACK.
2. The lease review process including inspection shall be completed within fifteen (15) working days of receipt of the Request for Approval of Tenancy.

6I. COMPUTATION OF TENANT RENT

The amount of rent payable by the family to the owner (Rent to Owner) shall be the amount of the Total Tenant Payment, plus any rent above the Payment Standard (PS).

1. Congregate Housing

The PS for congregate housing shall be the same as for zero-bedroom housing except that, if the housing consists of two (2) or more private rooms, the PS shall be the same as for one- bedroom housing.

2. Independent Group Residences

The PS for an Independent Group Residence shall be the PS applicable to the housing size being leased (i.e., the four-bedroom PS if the residence contains four (4) bedrooms). HACK shall issue a zero- bedroom voucher for each eligible individual who will reside in an Independent Group Resident and a separate lease and contract shall be executed. To determine the amount of Gross Rent to be allocated to each individual receiving Section 8 assistance, the Gross Rent is divided by the total number of occupants in the Independent Group Residence other than the Resident Assistant(s).

3. Shared Housing [24 CFR 982.615 through 982.618]

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family. An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The owner may not be related by blood or marriage to the assisted family.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

a. Shared Housing Payment Standard

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size or the pro-rata share of the payment standard for the shared housing unit size. The pro-rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit.

b. Shared Housing HAP calculations

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

c. Shared Housing Utility Allowance

The utility allowance is calculated by determining the proportional share per tenant based on the allowance for the actual unit size. For example a participant renting a room in a three bedroom unit will receive 1/3 the utility allowance for a three bedroom unit.

d. Shared Housing Rent Reasonableness

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, HACK should consider whether sanitary and food preparation areas are private or shared.

e. Shared Housing Quality Standard (HQS)

HACK may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards. HQS requirements described in Chapter 7 apply to shared housing except for the requirements stated below.

- I. Facilities Available for the Family: Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
- II. Space and Security: The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A 0-bedroom or 1-bedroom unit may not be used for shared housing.

4. Manufactured Home Space Rental

Section 112 of HOTMA amends section 8 (o) (12) of the 1937 act with respect to the use of voucher assistance provided to families that are owners of manufactured housing. Section 112 expanded the definition of "rent" for manufactured homeowners receiving voucher assistance to also include other housing expenses, specifically the monthly payment made by the family to amortize the cost of purchasing the manufactured home, (including and required insurance and property taxes) and tenant-paid utilities.

The Payment Standard for a participant renting a manufactured home is the published FMR (or Payment Standard, if different) for renting a regular dwelling unit of the same bedroom size.

The rent of the manufactured home space (including other eligible housing expenses) is the total of:

- a. The rent charged for the manufactured home space;
- b. Owner maintenance and management charges for the space;

- c. The monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
- d. The applicable allowances for tenant paid utilities.

The monthly payment made by the family to amortize the cost of purchasing the manufactured home is the debt service established at the time of application to a lender for financing the purchase of the manufactured home of monthly payments are still being made. Any increase in debt service due to refinancing after purchase of the home may not be included in the amortization cost. Debt service for set up charges incurred by a family may be included in the monthly amortization payments made by the family. In addition, set-up charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.

The monthly housing assistance payment is calculated as the lower of:

- a. The PHA payment standard minus the total tenant payment;
- b. The rent of the manufactured home space (including other eligible housing expenses) minus the total tenant payment.

Computation of Rent to Owner, Tenant Rent and Total Tenant Payment and Gross Rent shall be made in the same manner as for other Section 8 Existing Housing. The rent for a manufactured home must include the space also (including other eligible housing expenses). If the monthly rent assistance payment for a family exceeds the monthly rent for the manufactured home space (including the owner's monthly management and maintenance charges.) HACK will pay the remainder to the lender.

5. **Manufactured Home Ownership**

- a. Special assistance is available to lower-income families who own and occupy their manufactured homes as their principal place of residence and rent of the space (including other eligible housing expenses) on which their manufactured homes are located. This includes cooperatives.
- b. Separate Payment Standards, based upon 40% of the FMR of a 2-bedroom dwelling unit will be used. These rents, determined annually by HUD, reflect amounts required to be paid in order to obtain privately owned, decent, safe and sanitary manufactured home spaces of modest nature.
- c. The manufactured home space Rent to Owner shall include amounts for maintaining the common areas, utility lines, and garbage and trash collection (including other eligible housing expenses). Utility costs are not included in Rent to Owner. Rent to Owner in cooperatives means the charges under the occupancy agreements between members and the

cooperative.

- d. Allowances for utilities will be per the Schedule of Allowances for Utilities for Manufactured Homes contained in Appendix III. A reasonable amount for hookup charges for utilities may be included in the Utility Allowance for the first 12 months only.

For manufactured home owners that are currently receiving HCV assistance to rent the manufactured home space in accordance with 24 CFR 982.622 through 982.624, the HACK will implement the HOTMA change to the calculation of “rent” and the amount of subsidy effective on the first regular reexamination following the effective date the HOTMA notice (January 17, 2017) or no later than one year after the effective date of the HOTMA notice (if the first regular reexamination falls after that date.)

6J. CALCULATION OF THE HAP

After the Tenant Rent to the owner has been calculated, the amount of the HAP to be made by HACK to the owner each month, is calculated by subtracting the Tenant Rent from the Rent to Owner. The amount of HAP plus the Tenant Rent to the owner must always equal the Rent to Owner.

6K. SECURITY DEPOSITS

The owner may collect a security deposit from the tenant.

For contracts issued subsequent to October 2, 1995, HACK may allow owners to collect security deposits equal to but not in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants or no more than two (2) months Rent to Owner.

For contracts issued prior to October 2, 1995, the security deposit may not exceed the greater of the Total Tenant Payment (TTP) or \$50.

When the tenant moves out of the housing, the owner, subject to State or local law, may use the security deposit, including any interest on the deposit, per the lease, as reimbursement for any unpaid rent payable by the tenant, damages to the housing or for other amounts the tenant owes under the lease.

The owner must give the tenant a written list of all items charged against the security deposit, and the amount of each item. After deducting the amount, if any, used to

reimburse the owner, the owner must refund promptly the full amount of the unused balance to the tenant.

If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant.

However, if the tenant and owner are under the pre-October 2, 1995 form of contract the owner may request a move-out inspection by HACK and may submit a damage claim to the HA for the amount in excess of the security deposit collected, up to program limits. For the Certificate program, this may not exceed two months Rent to Owner less security deposits and for the Voucher program, one month Rent to Owner less security deposit. Should an owner go from the old contract to the new for the same tenant, the owner may increase the amount of security deposit he/she collects from the family.

Families Who Lease in Place. Security deposits collected before the execution of a Contract may remain at the amount so collected unless the owner requests a different amount.

Families Not Leasing in Place. Security deposits shall be comparable to one month's rent, as in private unassisted rentals if that is the owner's normal practice.

6L. TERM OF TENANCY

1. Term of HAP Contract

- a. The term of the HAP contract begins on the first day of the term of the lease and ends on the last day of the term of the lease.
- b. The HAP contract ends if the lease ends.

2. Term of Lease

- a. The initial term of the lease must be for at least one (1) year.
- b. The lease must provide for automatic renewal after the initial one (1) year term of the lease. The lease may provide either:
 - I. For automatic renewal for successive definite terms (e.g., month-to-month)
 - II. For automatic indefinite month to month extension of the lease term. The initial month the unit was leased will be counted as a full month in meeting the obligations.
- c. The term of the lease ends if any of the following occurs:
 - I. The owner cancels the lease;
 - II. The tenant cancels the lease;

- III. The owner and the tenant agree to cancel the lease;
- IV. HACK cancels the HAP Contract; or
- V. HACK cancels assistance for the family. All of the above requires advanced written notice.

6M. WHEN ASSISTANCE IS PAID

HAP is paid to the owner per the terms of the HAP contract. HAP may only be paid to the owner during the lease term, and while the family is residing in the housing.

6N. ABSENCE FROM THE HOUSING

1. The family may be absent from the housing for brief periods. The family may be absent for periods up to ninety (90) days with extensions granted on a case-by-case basis for periods up to one hundred eighty (180) days. However, the family may not be absent from the housing for more than one hundred eighty (180) consecutive calendar days in any circumstance, or for any reason. Approval of requests for absences from the housing for up to ninety (90) days will be granted by HACK for employment, medical emergencies, involuntary absences (i.e., imprisonment) or to participate in training or medically supervised rehabilitation. However, the tenant continues to be responsible for payment of the rent, utilities, and Housing Quality Standards (HQS) the up keep of the building.
2. HAP stops if the family is absent for longer than the maximum period allowed. Absolutely no extensions may be granted beyond 180 days. The term of the HAP contract and assisted lease also stops. (The owner must reimburse HACK for any HAP for the period after the cancellation.)
3. Absence means that no member of the family is residing in the housing.
4. The family must supply any information or certification requested by HACK to verify that the family is residing in the housing or relating to family absence from the housing. The family must cooperate with HACK for this purpose. The family must promptly notify HACK of absence from the housing, including any information requested on the reasons for the family absences.
5. HACK may use appropriate techniques to verify family occupancy or absence, including letters to the family at the housing, phone calls, visits or questions to the landlord or neighbors. Families whose assistance is canceled for an absence of more than one hundred eighty (180) days can reapply and be placed on a waiting list until assistance is available.

60. MOVES WITH CONTINUED ASSISTANCE

Participating families are allowed to move to another unit after the initial 12 months has expired, if the landlord and the participant have mutually agreed to terminate the lease, or if the Housing Authority has terminated the HAP contract. HACK will issue the family a new voucher if the family does not owe HACK or any other Housing Authority money, has not violated a Family Obligation, has not moved or been issued a voucher within the last 12 months, and if HACK has sufficient funding for continued assistance. If the move is necessitated for a reason other than family choice, the 12-month requirement will be waived.

1. When a Family May Move

For families already participating in the **Voucher Program**, HACK will allow the family to move to a new unit if:

- a. The assisted lease for the old unit has terminated;
- b. The owner has given the tenant a notice to vacate, has commenced an action to evict the tenant, or has obtained a court judgement or other process allowing the owner to evict the tenant; or
- c. The tenant has given notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner).
- d. **Baseline units contracted under a Consolidated Annual Contributions Contract (CACC) have sufficient-funding to do so.**

2. Procedures Regarding Family Moves

Families considering transferring to a new unit will be scheduled to attend a mover's briefing. All families who are moving, including any families moving into or out of HACK's jurisdiction, will be required to attend a mover's briefing prior to HACK entering a new HAP contract on their behalf.

This briefing is intended to provide the following:

- a. A refresher on program requirements and the family's responsibilities. Emphasis will be on giving proper notice and meeting all lease requirements, such as leaving the unit in good condition;
- b. Information about finding suitable housing and the advantages of moving to an area that does not have a high concentration of poor families;
- c. Payment standards, and the utility allowance schedule;
- d. An explanation that the family share of rent may not exceed 40% of the family's monthly adjusted income;
- e. Portability requirements and opportunities;
- f. The need to have a reexamination conducted within 120 days prior to the move;
- g. An explanation and copies of the forms required to initiate and complete the

- move; and
- h. All forms and brochures provided to applicants at the initial briefing.

Families are required to give proper written notice of their intent to terminate the lease. In accordance with HUD regulations, no notice requirement may exceed sixty (60) days. During the initial term, families may not end the lease unless they and the owner mutually agree to end the lease. If the family moves from the unit before the initial term of the lease ends without the owner's and HACK's approval, it will be considered a serious lease violation and subject the family to termination from the program.

The family is required to give HACK a copy of the notice to terminate the lease at the same time as it gives the notice to the landlord. A family's failure to provide a copy of the lease termination notice to HACK will be considered a violation of Family Obligations and may cause the family to be terminated from the program.

A family who gives notice to terminate the lease must mail the notice by certified mail or have the landlord or his agent sign a statement stating the date and time received. The family will be required to provide the certified mail receipt and a copy of the lease termination notice to HACK, or a copy of the lease termination notice and the signed statement stating the date and time the notice was received. If the landlord or his/her agent does not accept the certified mail receipt, the family will be required to provide the receipt and envelope showing that the attempt was made.

Failure to follow the above procedures may subject the family to termination from the program.

6P. FAMILY BREAK-UP

If an assisted family breaks up, HACK will decide who will remain in the program based on the following factors:

1. Who will retain custody of minor children or ill, elderly residents.
2. Whether family members are forced to leave the housing because of actual or threatened physical violence against family members by a spouse or other member of the household.
3. It is HACK's policy that in case of family break-up the assistance will be awarded to:
 - a. A responsible party moving into the assisted housing to care for dependent household members, or the remaining household member who is awarded custody.

- b. The victim in an instance of break-up due to actual or threatened physical violence by a spouse or other member of the household, whether in the initial assisted housing or other housing. The victim must provide an independent third-party determination of the existence of actual or threatened physical violence.
- c. If a court decides the disposition of property between members of an assisted family in a divorce or separation under a settlement or judicial decree, HACK is bound by the court's decision of which family members may continue to receive assistance in the program.

6Q. MAINTENANCE

1. Annual Inspections

If HACK's annual inspection reveals the housing is not in decent, safe and sanitary condition as required, or does not meet any other provision of the HAP contract, HACK must immediately notify the owner and the tenant in writing, of the deficiencies. Certified mailing of the notice will be considered as sufficient notification under this part. Such deficiencies must be corrected within a specific period to be determined by HACK as follows:

- a. Deficiencies presenting an immediate danger to the health and safety of the family must be corrected by the owner within 24 hours from receipt of the certified letter notifying the owner of the deficiency.
- b. Deficiencies of a moderate nature that do not seriously threaten the health and safety of the occupants shall be corrected by the owner within 30 days or unless HACK approves an extension based on the nature of the work to be completed and HACK's assessment of a reasonable date to accomplish the work. Following the completion of required work to correct deficiencies, HACK may re-inspect the housing to find out if the necessary work has been done or may require the owner and tenant to certify that the identified deficiencies have been corrected. Such certification will be made in writing by the owner and be concurred in by the tenant either in writing or by telephone confirmation with HACK staff. If an owner fails to make necessary corrections within the specified period, HACK must either cease payment of HAP until such deficiencies are corrected or cancel the HAP contract. HACK may issue another voucher to the family, thus allowing them to locate other housing. Once other housing is located, HACK must cancel the previous HAP contract.

2. HACK Periodic Housing Inspections

- a. HACK must inspect the housing leased to a family at least annually, and at other times as needed, to determine if the housing meets HQS.

- b. HACK must conduct supervisory quality control HQS inspections of a minimum of 5% of all units Inspected annually.
- c. In scheduling inspections, HACK must consider complaints and any other information reported to HACK.
- d. HACK must notify the owner of defects shown by the inspection.
- e. HACK may not charge the family or owner for initial inspection or re-inspection of the housing.

6R. OWNER OBLIGATION

1. The owner must maintain the housing per HQS.
2. If the owner fails to maintain the housing per HQS, the HA must take prompt and vigorous action to enforce the owner obligations. HA remedies for such breach of the HQS include cancellation, suspension or reduction of HAP and cancellation of the HAP contract.
3. The HA must not make any HAP Payment for housing that fails to meet the HQS, unless the owner corrects the defect within the period specified by the HA and the HA verifies the correction or the owner or tenant certifies that the corrections have been made. If a defect is life threatening, the owner must correct the defect within twenty- four (24) hours. The owner must correct other defects within thirty (30) calendar days (or any HA-approved extension).
4. The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible. However, the HA may cancel assistance to a family because of HQS breach caused by the family.

6S. FAMILY OBLIGATIONS

The family is responsible for a breach of the HQS caused by any of the following:

1. The family fails to pay for any utilities that the owner is not required to pay for, but are to be paid by the tenant;
2. The family fails to provide and maintain any appliances that the owner is not required to provide, but are to be provided by the tenant; or
3. Any member of the household or guest damages the housing or premises (damages beyond ordinary wear and tear).

4. The family fails to keep decent, safe, and sanitary, housing.

If an HQS breach caused by the family is life threatening, the family must correct the defect within twenty-four (24) hours, For other family-caused defects, the family must correct the defect within fourteen (14) calendar days (or any HA-approved extension).

If the family has caused a breach of the HQS, the HA must take prompt and vigorous action to enforce the family obligations. The HA may stop assistance for the family per 24 CFR 982.552.

6T. HOUSING ASSISTANCE PAYMENTS

The HAP contract is between HACK and an owner. In the HAP contract for tenant-based assistance, the owner agrees to lease specified housing to a specified eligible family, and HACK agrees to make monthly HAP to the owner for the family.

The HAP contract must be in the form required by HUD.

The term of the HAP contract is the same as the term of the lease.

The amount of the monthly HAP by HACK to the owner is determined by HACK per HUD regulations and other requirements. The amount of HAP is subject to change during the HAP contract term.

The monthly HAP by HACK is credited toward the monthly rent to the owner under the family's lease.

The amount of rent paid by the tenant plus HACK's HAP to the owner may not be more than the total rent charged by the owner. The owner must immediately return any excess payment to HACK or the family, which ever made the excess payment.

The part of the rent paid by the tenant to the owner may not be more than the total rent charged by the owner minus HACK's HAP to the owner.

The owner may not demand or accept any rent payment from the tenant more than this maximum and must immediately return any excess rent payment to the tenant.

The family is not responsible for payment of the portion of rent covered by the HAP under the HAP contract between the owner and HACK.

HACK must pay the HAP promptly when due to the owner per the HAP contract. If HACK

fails to make timely payment, it may be obligated to pay a late payment fee per State or local law. However, unless authorized by HUD, HACK may only use the following sources of payment of any such late payment fee: Administrative fee income; or the administrative fee reserve.